

1 Call to 3957221_24-Feb-2010_14.47.50.300

2

3 MS. TANFIELD: Hello.

4 MR. PENNINGS: Hello.

5 MS. TANFIELD: Hello.

6 MR. PENNINGS: Hey, quick question for you.

7 MS. TANFIELD: Um.

8 MR. PENNINGS: If I have a client that we need to act as broker
9 for on the fixed income side --

10 MS. TANFIELD: Um-hmm.

11 MR. PENNINGS: Really, it is a transition client, but.

12 MS. TANFIELD: Oh. Aren't they all? What is your name?

13 Magoratine Drag [phonetic]? Come on. What is your name?

14 (Laughter.)

15 MR. PENNINGS: We have a bunch of cash. Right? Quite a
16 significant bunch of cash.

17 MS. TANFIELD: Um-hmm.

18 MR. PENNINGS: And we are most likely going to be asked to
19 buy some U.S. corporate bonds for that.

20 MS. TANFIELD: Okay.

21 MR. PENNINGS: Now I am just going to send them, you know,
22 the terms of business that we always do for the brokerage side --

23 MS. TANFIELD: Okay.

24 MR. PENNINGS: -- for SSGMIL. Because that is really where we
25 are trading; right?

26 MS. TANFIELD: Um-hmm.

1 MR. PENNINGS: What are the issues on the settlement side?
2 MS. TANFIELD: The issues on the settlement side? Okay. The
3 U.S. -- they are going to be U.S. corporate bonds. So they are obviously going
4 to be settling in DPC.

5 MR. PENNINGS: Um-hmm.

6 MS. TANFIELD: So it is all going to be done out of the U.S. Not
7 really -- I mean, we have done this before for Steve, for one of Steve's clients.
8 But it shouldn't be an issue.

9 MR. PENNINGS: No?

10 MS. TANFIELD: As long as I liaze -- as long as I know what
11 assets we are looking to buy or to sell.

12 MR. PENNINGS: Okay. Yes.

13 MS. TANFIELD: And I make sure that the guys over in the U.S.
14 have this up, they have got the accounts up, the Bloomberg books up. So on
15 trading day, the guys can go ahead and do the execution.

16 I make sure then that they send me a blotter so I can -- I
17 always ask for a blotter to make sure that I can monitor what is being done.

18 MR. PENNINGS: Yes. Because it is an asset manager. There is
19 no chance I am going to get a TMA in place. But we would just act as broker,
20 essentially.

21 MS. TANFIELD: Who is the asset manager? Do we know?

22 MR. PENNINGS: It is confidential, but it is Palladyne in Holland.

23 MS. TANFIELD: Oh, no. We haven't got them.

24 MR. PENNINGS: No.

25 MS. TANFIELD: I was just wondering.

1 Confirmation, we usually send them a confirmation. It could be
2 that if they are an ISS -- maybe they are not. If they are an ISS client, I can
3 get them set up in ISS. But you know what? We have got an allocation tool
4 that I can --

5 MR. PENNINGS: Yes. But I don't want them to see how much
6 commission we put in there.

7 MS. TANFIELD: Who? What? The client?

8 MR. PENNINGS: The client, yes.

9 MS. TANFIELD: Well, then we can -- what we can do is send
10 them -- we have got this tool that we run. I can run it and then just take the
11 commissions column out.

12 MR. PENNINGS: Yes, because it is built into the spread anyway,
13 so.

14 MS. TANFIELD: So I can take the --

15 MR. PENNINGS: Because we give them net prices.

16 MS. TANFIELD: You can't. It is not commission on fixed
17 income. It is on the price, isn't it?

18 MR. PENNINGS: Yes.

19 MS. TANFIELD: So no, if it is on the price.

20 MR. PENNINGS: Okay. Then so let me see. Okay. That is
21 good.

22 MS. TANFIELD: Because they will have to see the price, won't
23 they? But then they don't know what the other side is.

24 MR. PENNINGS: Yes, okay. But there is no other paperwork
25 involved or anything?

1 MS. TANFIELD: Paperwork, you still need to do a client account
2 form.

3 MR. PENNINGS: Yes, yes.

4 MS. TANFIELD: The usual.

5 (Laughter.)

6 MR. PENNINGS: Whatever.

7 MS. TANFIELD: Poor guys. I speak to you, Ed, and I speak to
8 the guys on the desk and they are like yes, yes, yes. There is no other
9 paperwork. Just the client -- the new client form.

10 MR. PENNINGS: There is the KYC stuff going on. But it is a
11 custody client, so I am going to get all of that stuff from them.

12 MS. TANFIELD: That is fine. And then once that is approved
13 here in London -- because we need to approve it first because it is going to be
14 our relationship. And then I send all of the paperwork to Boston. And we
15 then -- you know, normally within half an hour of me sending it, a recent time,
16 they have been able to set it up for me.

17 MR. PENNINGS: Okay. Great.

18 And can we instruct directly the custodian? Don't ask me what I
19 mean by that, but that is what I always say to clients. Because we have done a
20 trade for a Finnish pension fund once where we were the custodian because
21 their back office couldn't handle it. So that is why they came to us.

22 MS. TANFIELD: That is a different kettle of fish now you are
23 asking me, Ed. Because if you are going to put it through as a brokerage trade,
24 no. On a brokerage trade, when we put it through the very system for
25 brokerage, then the confirmation we send to the client, we say: Here is your
26 go. Here is your confirm. Go ahead and instruct your custodian.

1 MR. PENNINGS: But can we not do that if we are the
2 custodian?

3 MS. TANFIELD: You are saying that State Street is the custody?

4 MR. PENNINGS: Um-hmm.

5 MS. TANFIELD: It depends how State Street -- I mean, we can
6 send the execution to State Street. But they may say to us, "We want it in a
7 specific format." So if they say that they want it in a specific format, we can't
8 handle that. Because it is not going through PAM, is it? Because it is a
9 brokerage trade. It is going through systems that don't allow us to swift to
10 custodians.

11 MR. PENNINGS: Okay. All right. That helps.

12 MS. TANFIELD: I mean, I am not saying that, you know,
13 whoever they contact at their client relationship, if we say to them, "If we send
14 you a confirmation set out like this, the spreadsheet set out like this, are you
15 able to instruct on behalf of your client?" That way, it saves the client having to
16 instruct. It is a question we can ask.

17 MR. PENNINGS: Well, I want to make it as easy as possible for
18 the client. That is all. Because it is going to be a very big trade.

19 MS. TANFIELD: It is a question I can ask.

20 MR. PENNINGS: Yes.

21 MS. TANFIELD: I can, you know, show the example of the
22 confirmation that I would have that I would send to them and just say to them,
23 "Would be this sufficient for you to instruct on behalf of your client?"

24 MR. PENNINGS: My colleague at IS in Holland is very
25 resourceful and very helpful. Toby Sommerfield. You may know him.

26 MS. TANFIELD: I know the name actually, yes.

1 MR. PENNINGS: So we will find a way around it. But okay.

2 This is very helpful.

3 MS. TANFIELD: Okay. No prob. Anything else, just ask me.

4 MR. PENNINGS: I will.

5 MS. TANFIELD: You know. Just ask me before I leave.

6 MR. PENNINGS: What do you mean you leave? Shut up. Stop
7 saying things like that. You love it here.

8 MS. TANFIELD: You know sooner or later it is going to happen.

9 MR. PENNINGS: No, you are not. I am going to break your leg.
10 You aren't going anywhere. You would miss me.

11 MS. TANFIELD: I would miss you. Yes. I would miss a handful
12 of people, yes.

13 See you later. Bye.

14 MR. PENNINGS: Bye.